



# House Science Committee

Democratic Caucus

**The Honorable Bart Gordon, Ranking Member**

H2-394 Ford HOB, Washington, DC 20515 (202) 225-6375

[www.house.gov/science\\_democrats](http://www.house.gov/science_democrats)

## **Cuts to MEP Will Cost Valuable Job Creation Programs in Your State!**

Dear Democratic Caucus Member:

Job creation and programs that support efforts in our local communities to maintain good jobs are a focus each of us share. In the Administration's recently released budget a key local job creation program is on the chopping block – the Manufacturing Extension Partnership (MEP). The Administration's request of \$46.8 million is less than one-half of what is required to maintain a fully operational national network of MEP Centers. It is our responsibility to call our constituents' attention to this cut and fight to ensure the Administration hears our message. Contrary to strong support from industry (including NAM), Congress and the States, the Administration has always targeted this program for elimination.

The MEP is a successful federal/state partnership designed to assist small manufacturers retain their competitive edge. A 2003 review by the National Academy of Public Administration stated: "The MEP Program...is the only federal program designed specifically to help small manufacturers, and positioned to help create the infrastructure for providing support to these firms as the US economy moves thru enormous economic transition." In FY03 MEP Centers served more than 18,000 small and medium-sized manufacturers across the country. In a survey of 26% of MEP clients, they reported:

- 50,315 jobs created/retained
- \$1.483 billion in increased sales
- \$2.638 billion in retained sales
- \$686 million in cost savings
- \$912 million in modernization, including plant and equipment, information systems and workforce training.

These results were achieved with a modest federal investment of \$105 million.

Although vocal in their support for our manufacturing base, the Administration has again sought to cut the one program designed to assist our small manufacturing base – even as we continue to lose manufacturing jobs. This is an issue where we as Democrats can make clear our strong support for a highly effective and popular program. Every year hundreds of small manufacturers come to Congress to tell of their strong support for the MEP.

MEP programs at risk in your state can be found at <http://www.mep.nist.gov/about-mep/center-list/>. For your use, I also put together the following:

- A recent press release I sent to Tennessee publications utilizing hard numbers to illustrate the impact of these cuts on communities I represent;
- Facts on small manufacturing and the MEP;
- MEP impacts in your state and contact information; and
- Manufacturing job losses by state.

If you have any questions, please don't hesitate to contact me (or Mike Quear of the Science Committee Staff, x5-6917). We must hold this Administration accountable for slashing vital job creation programs while this country has lost more than 2.7 million manufacturing jobs over the past four years.

Regards,

*Bart Gordon*



Science Committee  
Ranking Member

Energy and Commerce  
Committee

**News from**  
**Congressman**  
**Bart Gordon**

*Tennessee's Sixth Congressional District*

FOR IMMEDIATE RELEASE  
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## **Gordon Rejects Plan To Slash Technical Assistance For Small Manufacturers**

WASHINGTON, D.C. – Calling them vital to innovation and job creation, U.S. Rep. Bart Gordon is urging Congress to reject a proposal gutting or eliminating two highly successful programs that help hundreds of small manufacturers in Tennessee with technical assistance and business-support services.

"Why in the world would you cut a program creating jobs and generating money for the Treasury?" Gordon asked. "In a time of record deficits and heavy outsourcing of American jobs, it's critical we continue with a program that has helped employ hundreds of hard-working Tennesseans."

The administration's proposed budget for the coming fiscal year again eliminates the Advanced Technology Program and slashes funding for the Manufacturing Extension Partnership by 57 percent. Both programs provided technical assistance to 686 Tennessee businesses in fiscal year 2003.

In the past three years, 113 projects in Gordon's congressional district alone received assistance from the MEP program.

"I am particularly disappointed to see programs that support industry and create jobs fail to receive adequate investment," said Gordon, ranking member of the House Science Committee, which oversees MEP and other federal science and technology programs.

"America has lost more than 2.8 million jobs in the last three years, while Tennessee has lost 58,000 manufacturing jobs. MEP is an outstanding investment. In fact, it is one of the few federal programs where every federal dollar leverages two additional dollars in state and private-sector funding."

Next year's budget proposes less than half the funding required to maintain the MEP program, a network of not-for-profit centers whose sole purpose is to provide small- and medium-sized manufacturers with a broad range of technical assistance and support.

"If we hope to grow new industries, provide new skills to unemployed workers and foster the economic conditions that will allow us to eliminate our federal deficit, we have to invest in research and development programs," Gordon said. "We shouldn't slash federal technology programs that help firms stay competitive."

Twelve percent of Tennessee's MEP clients reported that this type of federal assistance helped them generate more than \$52 million in new and retained sales, and kept or created more than 800 jobs in 2003. Nationwide, 26 percent of the companies using MEP assistance in 2003 reported \$4.12 billion in new and retained sales, \$686 million in cost savings and \$900 million of investment in modernization.

"There are few federal programs that show this magnitude of return on investment," Gordon said. "All of us understand the importance of keeping high-paying manufacturing jobs from moving offshore."

"This administration, however, proposes gutting one of the few federal programs actually creating jobs here at home. That's a big mistake," he added.

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## SMALL MANUFACTURING AND MEP FACTS

### **Why are Small Manufacturers Important?**

- Approximately 350,000 small manufacturers account for over half the total value of U.S. production and represent 95% of all manufacturing establishments.
- They employ more than one half of all U.S. manufacturing employment. These jobs are high-skilled and high-wage, with production employees earning 50% more than retail employees per hour.
- As large manufacturers increase their dependence on suppliers for parts and services, the performance and capabilities of small manufacturers become even more critical to the competitiveness of all manufacturers and to the health of the U.S. economy. Yet according to a National Research Council report, “Many of these smaller firms, however, are operating far below their potential. Their use of modern manufacturing equipment, methodologies and management practices is inadequate to ensure that American manufacturing will be globally competitive.”
- They account for 37% of all manufacturing receipts – more than \$1 trillion a year.

### **What is the MEP and How Does It Help?**

- MEP is a national network of manufacturing extension Centers and field offices located throughout all 50 states and Puerto Rico. Centers are funded by federal, state, local and private resources to serve small manufacturers.
- Each Center works directly with local manufacturers to provide expertise and services tailored to their most critical needs, which range from process improvements and worker training to business practices and information technology applications.
- MEP provides small and mid-sized manufacturers with access to a wealth of tools and other resources through thousands of public and private affiliations. Initiatives with the Department of Labor, EPA, National Association of State Development Agencies, the National Association of Manufacturers, state and local employment training organizations and hundreds of universities and community colleges are a few examples of how MEP leverages public and private resources to make a comprehensive range of technical services and assistance available to small manufacturers.
- Last year, the MEP served more than 18,000 small manufacturers across the country.
- In 2003, in a survey of 26% of MEP clients, they reported:
  - ✓ \$4.12 billion in increased/retained sales;
  - ✓ \$686 million in cost savings;
  - ✓ \$912 million investment in modernization; and
  - ✓ 50,315 jobs created/retained.

# MEP Performance Metrics

State	Center	Clients Served FY 2003	Percent of Firms Surveyed	BENEFITS FOR SURVEYED FIRMS ONLY						
				Jobs Created & Retained	New/Retained Sales	Cost Savings Impacts	Investment Impacts	FY2003 Federal Investment	FY2003 State/Other Investment	Fees Collected FY2003
AK	Alaska Manufacturing Extension Partnership	186	18.82%	80	\$ 940,700	\$ 714,800	\$ 1,829,000	\$ 806,401	\$ 1,612,802	\$ 875,564
AL	Alabama Technology Network	496	20.77%	1,401	\$ 87,595,000	\$ 9,624,700	\$ 27,435,200	\$ 1,780,800	\$ 3,561,600	\$ 2,766,191
AR	Arkansas Manufacturing Extension Network	186	34.41%	548	\$ 31,618,000	\$ 7,916,200	\$ 5,355,300	\$ 1,304,967	\$ 2,609,934	\$ 475,372
AZ	Arizona Manufacturing Extension Partnership	41	92.68%	816	\$ 37,522,400	\$ 5,574,400	\$ 6,258,600	\$ 1,058,400	\$ 2,116,800	\$ 242,642
CA	California Manufacturing Technology Center	1,156	13.15%	2,545	\$ 432,308,000	\$ 45,905,115	\$ 58,198,126	\$ 9,981,903	\$ 19,963,806	\$ 6,383,037
CA	Corporation for Manufacturing Excellence (N. Calif.)	94	31.91%	189	\$ 27,710,000	\$ 5,467,000	\$ 5,730,000	\$ 1,333,000	\$ 2,666,000	\$ 1,056,358
CO	Mid-America Manufacturing Technology Center - Colorado	-	0.00%	108	\$ 8,419,000	\$ 5,261,000	\$ 3,883,200	\$ 660,402	\$ 1,320,804	\$ -
CT	Connecticut State Technology Extension Program	388	22.94%	700	\$ 54,422,502	\$ 7,494,000	\$ 10,820,500	\$ 1,027,489	\$ 2,054,978	\$ 1,449,273
DE	Delaware Manufacturing Extension Partnership	43	65.12%	255	\$ 11,303,000	\$ 17,987,000	\$ 4,782,500	\$ 302,400	\$ 604,800	\$ 635,066
DE	Delaware Valley Industrial Resource Center (Penn.)	167	65.27%	1,067	\$ 132,840,000	\$ 30,880,600	\$ 11,342,900	\$ 1,344,000	\$ 2,688,000	\$ 5,483,120
FL	Florida Manufacturing Extension Partnership	184	65.76%	1,857	\$ 117,318,000	\$ 35,603,128	\$ 54,308,800	\$ 4,279,806	\$ 8,559,612	\$ 2,287,241
GA	Georgia Manufacturing Extension Partnership	530	29.62%	1,544	\$ 76,395,000	\$ 13,841,500	\$ 24,080,700	\$ 2,781,798	\$ 5,563,596	\$ 1,764,672
HI	Innovative Solutions (Hawaii) *	53	18.87%	14	\$ 185,000	\$ 36,000	\$ 690,000	\$ 437,066	\$ 874,132	\$ 201,433
IA	Iowa Manufacturing Extension Partnership	278	50.72%	1,149	\$ 167,084,000	\$ 27,522,129	\$ 31,462,974	\$ 1,859,206	\$ 3,718,412	\$ 2,480,129
ID	Idaho TechHelp	124	28.23%	224	\$ 15,430,000	\$ 6,173,000	\$ 15,694,000	\$ 758,801	\$ 1,517,602	\$ 477,592
IL	Chicago Manufacturing Center	265	30.19%	811	\$ 72,149,000	\$ 5,793,332	\$ 9,312,564	\$ 2,435,018	\$ 4,870,036	\$ 2,586,227
IL	Illinois Manufacturing Extension Center	362	37.85%	2,050	\$ 174,076,000	\$ 22,488,040	\$ 24,530,477	\$ 2,992,546	\$ 5,985,092	\$ 3,054,540
IN	Indiana Business Modernization and Technology Corporation	164	47.56%	617	\$ 30,525,000	\$ 2,456,000	\$ 12,299,000	\$ 2,484,126	\$ 4,968,252	\$ 1,295,642
KS	Mid-America Manufacturing Technology Center (Kansas)	774	9.04%	353	\$ 20,411,300	\$ 8,261,500	\$ 4,761,400	\$ 1,879,754	\$ 3,759,508	\$ 1,352,868
KY	Kentucky Manufacturing Assistance Center	348	7.76%	465	\$ 92,320,000	\$ 6,584,000	\$ 18,737,000	\$ 529,004	\$ 1,058,008	\$ 515,567
LA	Manufacturing Extension Partnership of Louisiana	113	40.71%	131	\$ 12,604,000	\$ 7,116,947	\$ 4,966,514	\$ 593,544	\$ 1,187,088	\$ 514,257
MA	Massachusetts Manufacturing Extension Partnership	197	43.15%	899	\$ 100,333,100	\$ 15,336,922	\$ 17,909,700	\$ 2,364,771	\$ 4,729,542	\$ 1,025,797
MD	Maryland Technology Extension Service	72	33.33%	48	\$ 4,111,000	\$ 909,300	\$ 624,000	\$ 400,971	\$ 801,942	\$ 71,297
ME	Maine Manufacturing Extension Partnership	145	54.48%	430	\$ 19,617,200	\$ 7,669,899	\$ 4,453,324	\$ 940,522	\$ 1,881,044	\$ 608,180
MI	Michigan Manufacturing Technology Center	505	20.79%	1,118	\$ 91,318,803	\$ 10,630,820	\$ 21,333,255	\$ 2,286,006	\$ 4,572,012	\$ 3,088,542
MN	Minnesota Technology Inc.	534	19.48%	568	\$ 18,877,000	\$ 4,509,900	\$ 14,078,000	\$ 2,016,000	\$ 4,032,000	\$ 475,018
MO	Missouri Enterprise	276	34.42%	2,449	\$ 279,320,000	\$ 8,837,820	\$ 28,150,700	\$ 2,109,748	\$ 4,219,496	\$ 1,860,762
MS	Mississippi Technology Alliance	88	61.36%	2,562	\$ 74,040,000	\$ 18,068,500	\$ 22,322,300	\$ 1,011,687	\$ 2,023,374	\$ 91,759
MT	Montana Manufacturing Extension Center	102	22.55%	89	\$ 1,703,750	\$ 1,643,500	\$ 658,000	\$ 512,000	\$ 1,024,000	\$ 288,982
NC	North Carolina Manufacturing Extension Partnership	273	49.82%	808	\$ 56,620,000	\$ 7,833,501	\$ 19,227,200	\$ 2,216,244	\$ 4,432,488	\$ 1,978,668
ND	North Dakota Manufacturing Extension Partnership	36	13.89%	70	\$ 2,060,000	\$ 925,000	\$ 2,530,000	\$ 433,980	\$ 867,960	\$ 570,215
NE	Nebraska Manufacturing Extension Partnership	462	7.79%	223	\$ 10,510,681	\$ 2,327,885	\$ 2,662,500	\$ 599,430	\$ 1,198,860	\$ 344,932
NH	New Hampshire Manufacturing Extension Partnership	49	48.98%	132	\$ 11,690,000	\$ 1,630,000	\$ 6,840,000	\$ 421,303	\$ 842,606	\$ 448,992
NJ	New Jersey Manufacturing Extension Program	172	38.37%	426	\$ 34,916,500	\$ 6,326,001	\$ 11,894,000	\$ 1,692,912	\$ 3,385,824	\$ 2,841,486
NM	New Mexico Manufacturing Extension Partnership	149	46.98%	476	\$ 19,461,500	\$ 4,224,300	\$ 2,338,100	\$ 1,360,802	\$ 2,721,604	\$ 397,779
NV	Nevada Management Assistance Partnership	378	20.37%	586	\$ 19,801,000	\$ 2,821,500	\$ 3,552,750	\$ 756,001	\$ 1,512,002	\$ 1,460,162
NY	New York Manufacturing Extension Partnership	1,204	23.42%	3,217	\$ 126,843,000	\$ 18,659,350	\$ 27,045,720	\$ 5,511,498	\$ 11,022,996	\$ 7,100,202
OH	Ohio Manufacturing Extension Partnership	2,707	11.49%	1,818	\$ 217,508,900	\$ 97,498,400	\$ 80,306,100	\$ 4,540,541	\$ 9,081,082	\$ 7,348,729
OK	Oklahoma Alliance for Manufacturing Excellence	719	15.44%	814	\$ 75,448,700	\$ 21,688,425	\$ 14,872,320	\$ 981,121	\$ 1,962,242	\$ 762,359
OR	Oregon Manufacturing Extension Partnership	53	58.49%	167	\$ 6,835,400	\$ 18,736,000	\$ 3,202,681	\$ 784,752	\$ 1,569,504	\$ 656,094
PA	Catalyst Connection (SW Penn.)	137	62.77%	1,418	\$ 217,283,000	\$ 12,333,300	\$ 29,065,900	\$ 1,092,004	\$ 2,184,008	\$ 570,618
PA	Manufacturers Resource Center (Penn.)	139	70.50%	1,525	\$ 136,896,000	\$ 6,205,000	\$ 17,032,000	\$ 588,003	\$ 1,176,006	\$ 1,136,629
PA	Mid-Pennsylvania Manufacturing Extension Partnership	174	71.84%	899	\$ 65,563,460	\$ 7,163,750	\$ 16,553,870	\$ 1,046,478	\$ 2,092,956	\$ 1,632,944
PA	Northeastern Pennsylvania Industrial Resource Center	100	69.00%	889	\$ 67,011,500	\$ 6,473,763	\$ 15,366,500	\$ 504,001	\$ 1,008,002	\$ 623,416
PA	Northwest Pennsylvania Industrial Resource Center	261	61.30%	1,340	\$ 120,893,200	\$ 4,603,966	\$ 19,350,298	\$ 702,745	\$ 1,405,490	\$ 667,633
PR	Puerto Rico Manufacturing Extension Inc	413	6.30%	802	\$ 49,054,000	\$ 6,470,000	\$ 8,468,900	\$ 510,718	\$ 1,021,436	\$ 397,306
RI	Rhode Island Manufacturing Extension Services	87	22.99%	70	\$ 1,328,000	\$ 344,378	\$ 377,869	\$ 450,238	\$ 900,476	\$ 623,708
SC	South Carolina Manufacturing Extension Partnership	610	18.20%	953	\$ 137,211,000	\$ 23,902,050	\$ 23,696,400	\$ 2,286,006	\$ 4,572,012	\$ 2,284,730
SD	South Dakota Manufacturing Extension Partnership *	-	0.00%	-	\$ -	\$ -	\$ -	\$ 187,500	\$ 375,000	\$ -
TN	Tennessee Manufacturing Extension Partnership	686	11.81%	858	\$ 52,775,000	\$ 3,604,100	\$ 15,440,200	\$ 1,262,168	\$ 2,524,336	\$ 1,352,039
TX	Texas Manufacturing Assistance Center	533	51.41%	2,575	\$ 227,161,600	\$ 27,934,398	\$ 29,680,850	\$ 5,773,338	\$ 11,546,676	\$ 4,193,763
UT	Utah Manufacturing Extension Partnership	130	52.31%	737	\$ 42,351,370	\$ 14,824,700	\$ 45,410,250	\$ 911,006	\$ 1,822,012	\$ 551,369
VA	Virginia's A.L. Philpott Manufacturing Extension Partnership	249	26.10%	334	\$ 38,779,000	\$ 2,331,368	\$ 6,301,000	\$ 1,276,799	\$ 2,553,598	\$ 2,363,134
VT	Vermont Manufacturing Extension Center	34	38.24%	55	\$ 2,520,000	\$ 2,252,000	\$ 680,000	\$ 396,483	\$ 792,966	\$ 387,815
WA	Washington Manufacturing Services	152	52.63%	738	\$ 40,845,000	\$ 12,448,500	\$ 17,640,500	\$ 148,587	\$ 297,174	\$ 1,603,350
WI	Northwest Wisconsin Manufacturing Outreach Center	100	34.00%	228	\$ 14,005,000	\$ 9,829,400	\$ 4,519,400	\$ 403,201	\$ 806,402	\$ 286,082
WI	Wisconsin Manufacturing Extension Partnership	449	40.76%	2,455	\$ 94,934,250	\$ 19,856,800	\$ 37,382,924	\$ 2,591,886	\$ 5,183,772	\$ 2,831,511
WV	West Virginia Manufacturing Extension Partnership	109	32.11%	400	\$ 16,580,000	\$ 567,500	\$ 1,191,700	\$ 397,958	\$ 795,916	\$ 182,737
WY	Mid-America Manufacturing Technology Center - Wyoming	-	0.00%	215	\$ 21,484,500	\$ 2,309,000	\$ 3,657,900	\$ 375,002	\$ 750,004	\$ -
		<b>18,436</b>	<b>26.39%</b>	<b>50,315</b>	<b>\$ 4,120,868,316</b>	<b>\$ 686,431,387</b>	<b>\$ 912,295,866</b>	<b>92,474,841</b>	<b>184,949,682</b>	<b>\$ 89,005,528</b>

Information is from MEP Center Clients Served in FY2003 and Surveyed in FY2004, Unless Otherwise Noted.

In FY 2003, the clients and fees for Colorado and Wyoming were included in the Figures for Kansas.

\*These centers have recently begun operations and have no/limited performance information.

Information as of December 9, 2004

# MANUFACTURING JOBS LOST SINCE THE BEGINNING OF THE BUSH ADMINISTRATION

STATE	JOBS LOST 12/04	JOBS LOST SINCE JANUARY 2001
Alabama*	--	41800
Alaska*	2000	2800
Arizona	300	38600
Arkansas	500	33600
California	--	343800
Colorado	300	35800
Connecticut	--	37300
Delaware*	--	2700
DC*	--	1000
Florida	2300	65800
Georgia*	900	75200
Hawaii*	--	1200
Idaho	100	10000
Illinois	--	147800
Indiana	--	68200
Iowa	300	27600
Kansas	400	24800
Kentucky	700	40600
Louisiana	500	23700
Maine	600	18000
Maryland	--	27900
Massachusetts	900	86300
Michigan	--	147700
Minnesota	1300	46100
Mississippi	100	32900
Missouri	1000	41900
Montana	--	3200
Nebraska	--	11900
Nevada*	--	--
New Hampshire	--	26000
New Jersey	300	73900
New Mexico	--	6200
New York	1500	152700
North Carolina	2500	169000
North Dakota	200	1000
Ohio	1200	176200
Oklahoma*	--	32500
Oregon	--	23300
Pennsylvania	700	166700
Rhode Island	200	14000
South Carolina*	1000	58500
South Dakota	--	5400
Tennessee*	500	58700
Texas	2500	188000
Utah	--	9900
Vermont	100	10400
Virginia	--	60400
Washington	--	64800
West Virginia	100	11200
Wisconsin	2100	66600
Wyoming*	--	600

\*not seasonally adjusted